

Planning for a Better Brookline

Workshop #2

How to Get What We Want from Developers

07 December, 2015

Economic Development Advisory Board
Town of Brookline

How to get what we want from developers

Panelists

TED TYE - National Development Co.

GEORGE COLE - Stantec

KEN GOLDSTEIN - Former Chair BOS & Planning Bd.

JENNIFER GILBERT - Former Town Counsel

KEN LEWIS - EDAB

Real Estate Development Drivers



USE looking for
locations

meets



Underutilized
PROPERTY

Market demand

- Demographic trends
- Technology changes
- Social & regulatory changes

- Location
- Size & Shape
- Cost
- Zoning

Optimize Real Estate Development Opportunities

Underutilized
PROPERTY

USES looking
for locations

Highest
and
Best Use



Understanding the Developer's Perspective

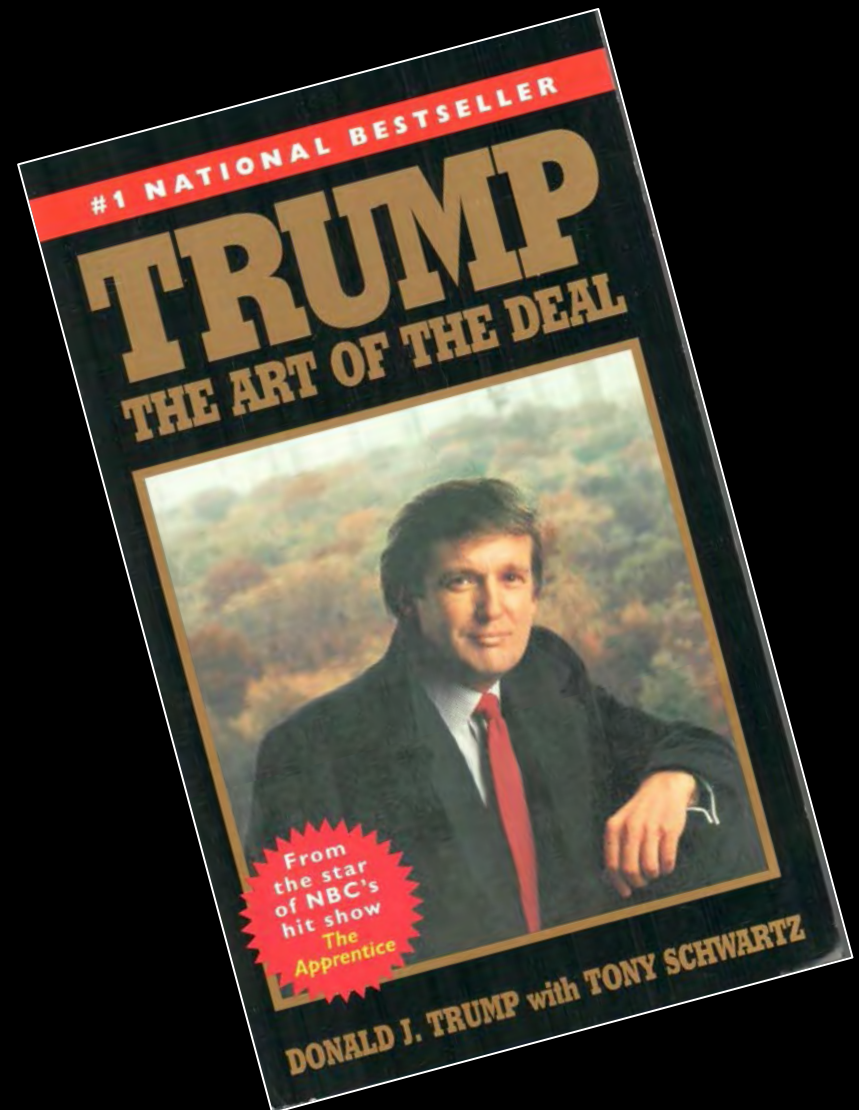
Competitive market

- Sites, tenants, capital

Financial parameters

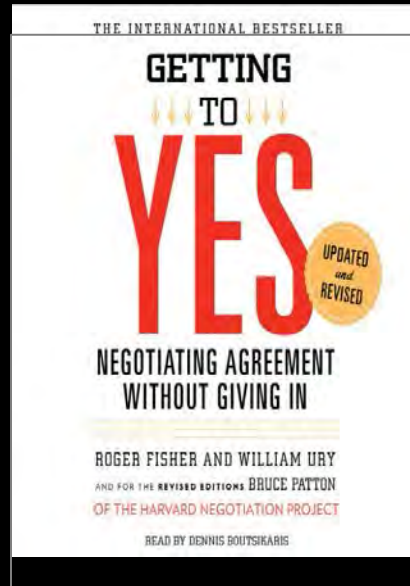
- Market rent, ROI

Timing



Commercial Real Estate Development

Mutually Beneficial Results



Developer's perspective & Town's perspective

- Competitive market
 - Financial parameters
 - Timing
- Land use plans & zoning
 - Neighborhood impacts
 - Quality design
 - Net tax revenue

*"You can't always get
what you want.*

*But if you try sometime
you just might find*

You get what you need"

- "You Can't Always Get What You Want"
Rolling Stones, 1969



Brookline Commercial Development

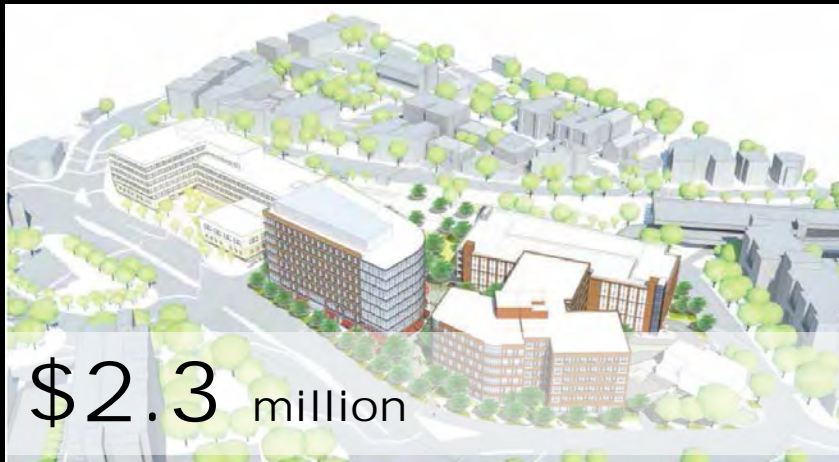
Projected stabilized annual real estate and hotel tax revenue



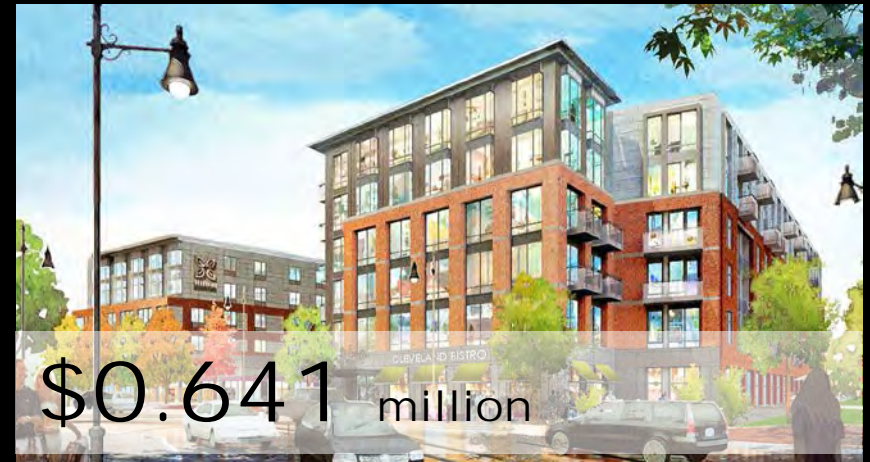
Courtyard Marriott Hotel



Homewood Suites – “Red Cab” Site



Brookline Place



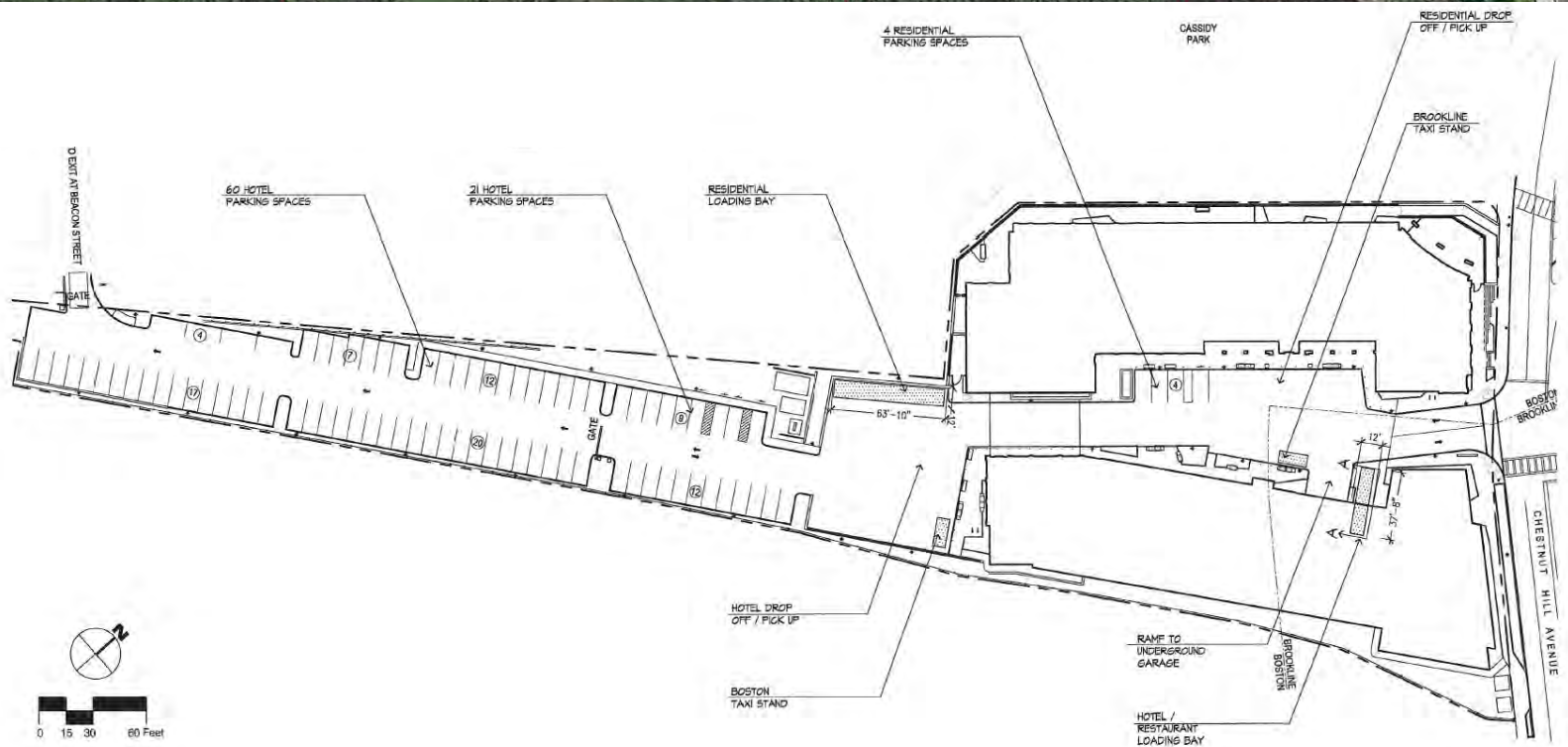
Circle Cinema Redevelopment

Brookline Commercial Development

10 Brookline Place



375 Chestnut Hill Avenue



The Circle, Cleveland Circle,
Boston/Brookline









Woodland Station, Newton



Brae Burn
Country Club

Golda
Meir House

Woodland
Country Club

MBTA Green Line

Washington Street (Route 16)

Newton
Wellesley
Hospital







Brookline Place



2 Brookline Place



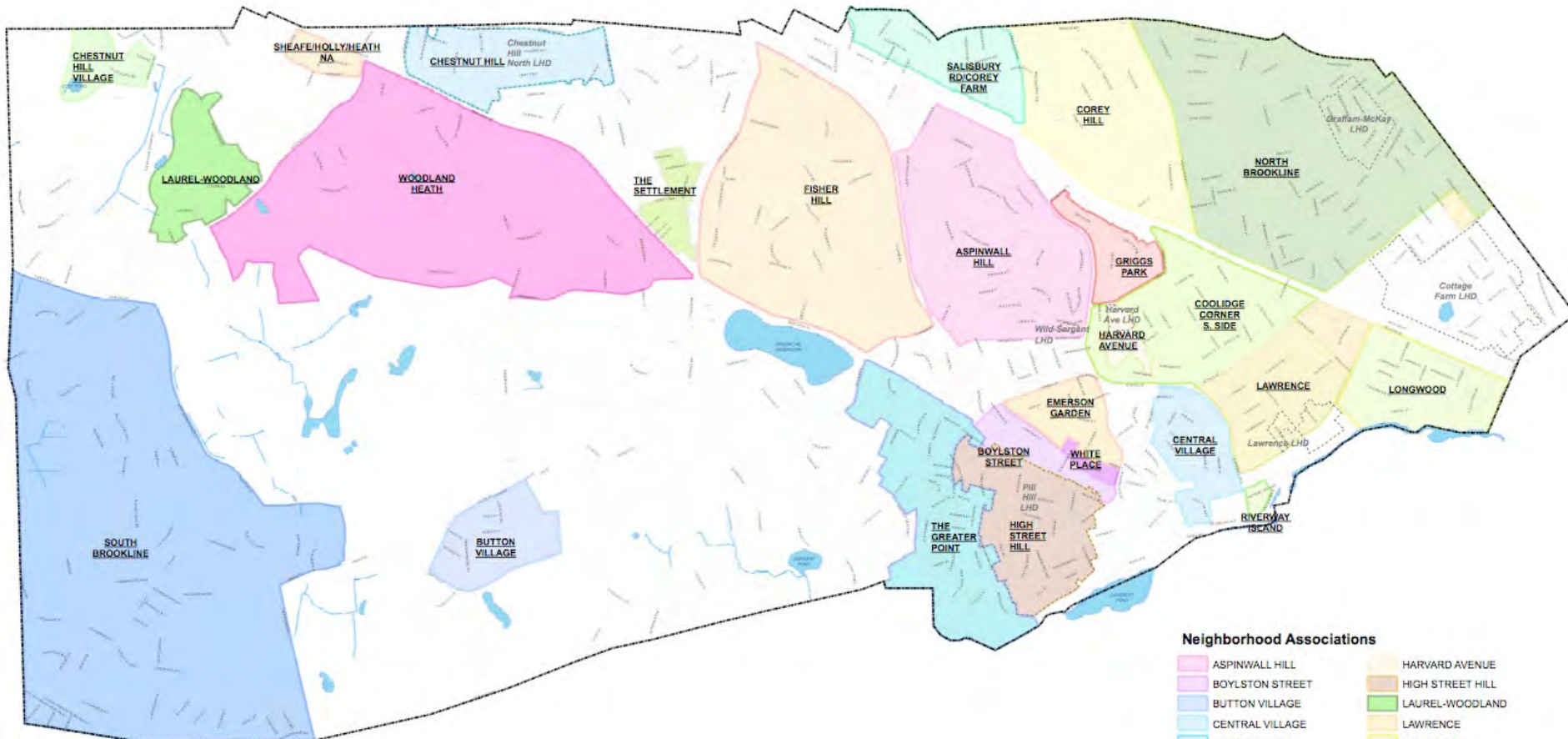
2 Brookline Place



George Cole

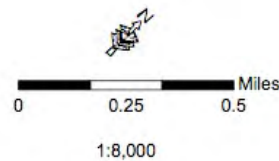
1st Public Hearing

Brookline Neighborhood Associations and Local Historic Districts



Last Updated Date: 12/03/2013

DISCLAIMER
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Neighborhood Associations

- | | |
|-------------------------|-------------------------|
| ASPINWALL HILL | HARVARD AVENUE |
| BOYLSTON STREET | HIGH STREET HILL |
| BUTTON VILLAGE | LAUREL-WOODLAND |
| CENTRAL VILLAGE | LAWRENCE |
| CHESTNUT HILL | LONGWOOD |
| CHESTNUT HILL VILLAGE | NORTH BROOKLINE |
| COOLIDGE CORNER S. SIDE | RIVERWAY ISLAND |
| COREY HILL | SALISBURY RD/COREY FARM |
| EGMONT TENANTS | SHEAFE/HOLLY/HEATH |
| EMERSON GARDEN | THE SETTLEMENT |
| FISHER HILL | SOUTH BROOKLINE |
| THE GREATER POINT | WHITE PLACE |
| GRIGGS PARK | WOODLAND HEATH |
| | Local Historic District |

Commercial Real Estate Market

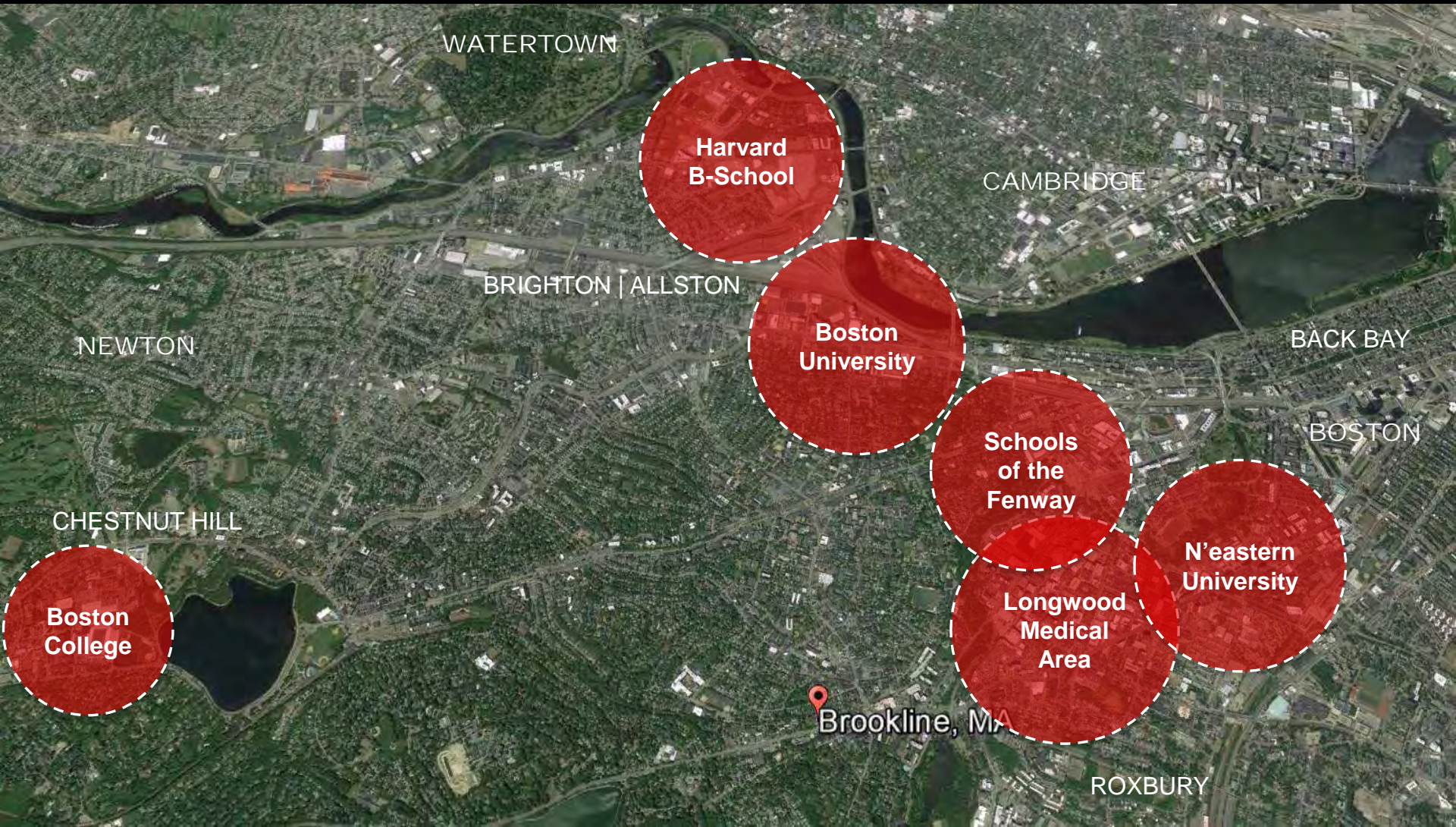
Boston Area Office Market Trends



Source: Newmark Grubb Knight Frank


Commercial Real Estate Market

Boston – Brookline – Newton Corridor





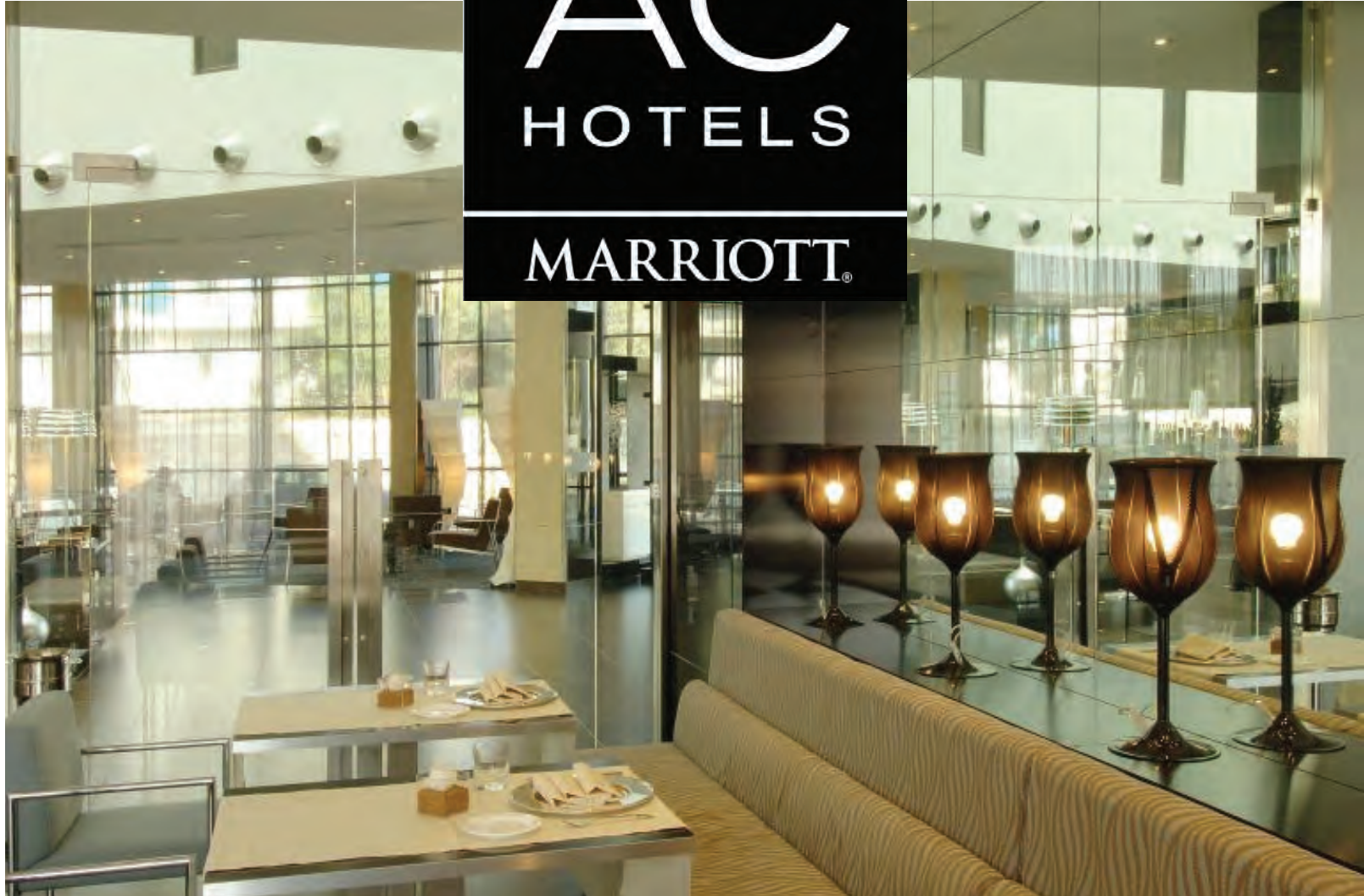
Proposed Homewood Suites by Hilton
 111 Boylston Street / 10-12 Kerrigan Place, Brookline, MA

 Group One Partners, Inc.

BOYLSTON STREET PERSPECTIVE

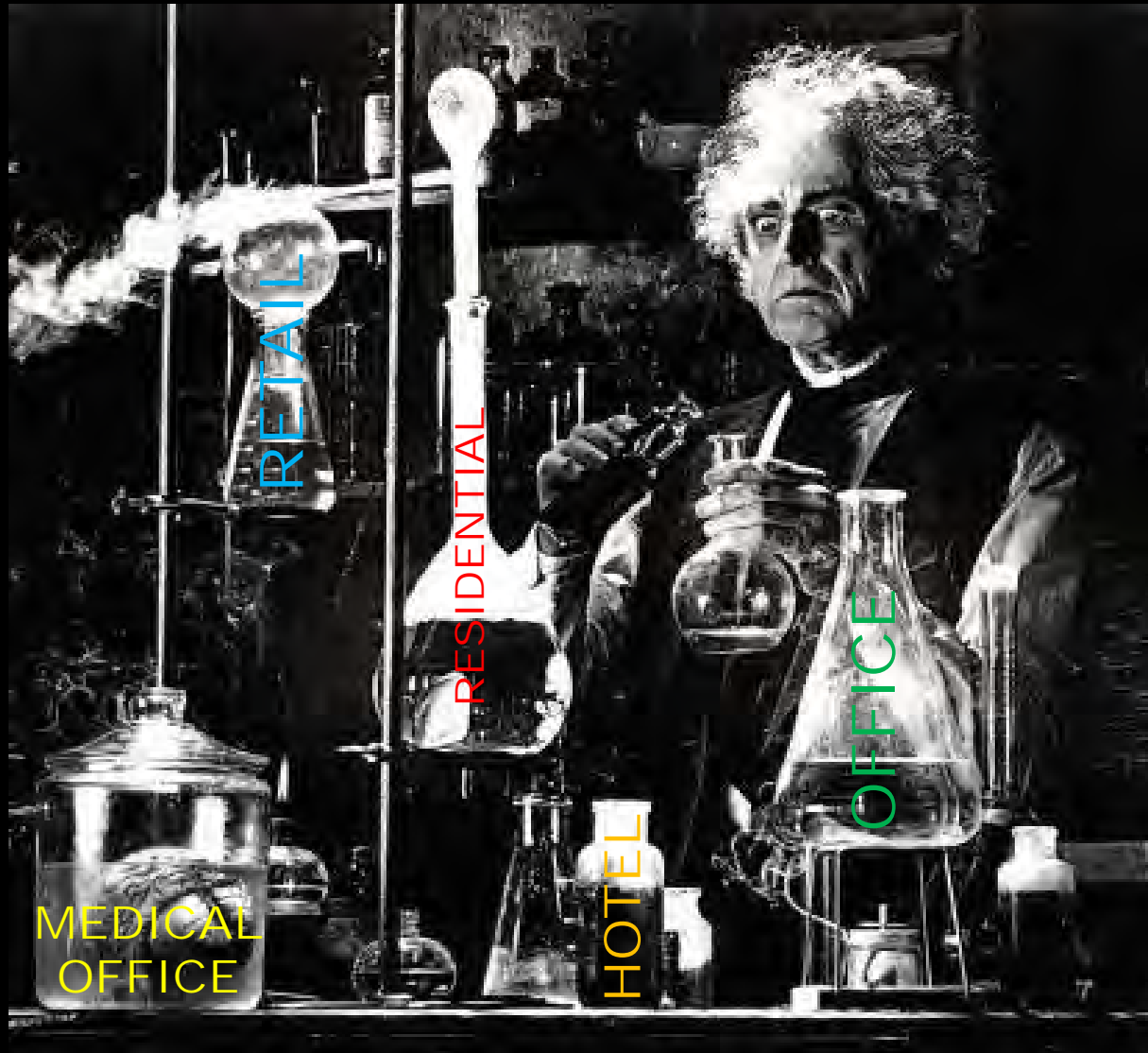
Planning Board Presentation

02.06.2014



A joint venture with Boston Development Group

Mixed-Use Development



Mixed Use Development

375 Chestnut Hill Avenue

SENIOR
HOUSING

HOTEL

FIRST FLOOR PLAN HOTEL



FIRST FLOOR PLAN SENIOR HOUSING



Waterstone at Wellesley









Mixed-Use Development

Waterstone at Wellesley



Station Landing, Medford



Phase I
Arborpoint at Station Landing
292 Apartment Units
65,000 s.f. Retail/Restaurant
233 Surface Parking Spaces
413 Below-Grade Parking Spaces
Opened June 2006

Phase V
75SL
168 Apartment Units
8500 s.f. Restaurant
58 Surface Parking Spaces
Opened July 2009

Phase VI
Future Development Area

The Offices at Station Landing
160,000 s.f. Office
Opened 1988

Phase III
Boston Sports Club
50,000 s.f. Fitness
Opened November 2007

Phase IV
Station Landing Transportation Center
1,900 Space Garage
Skywalk to MBTA
Expanded in 2008

Phase II
Skyline at Station Landing
127 Condominium Units
204 Structured Parking Spaces
Opened June 2007

Station Landing
Medford, Massachusetts

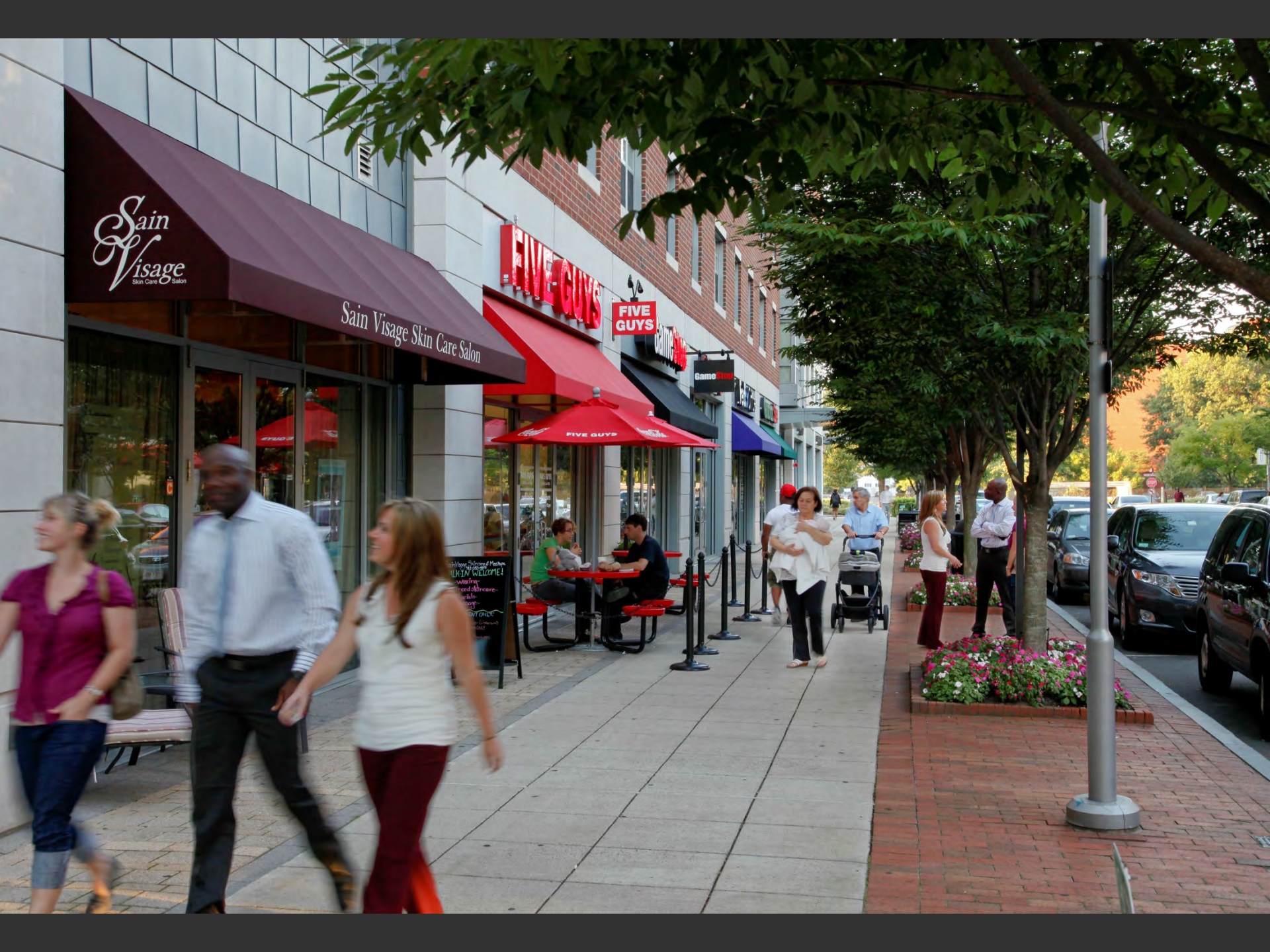


STATION LANDING



A Green Arborpoint Community

Arborpoint Skyline
APARTMENTS CONDOMINIUMS
AT STATION LANDING AT STATION LANDING



Sain
Visage
Skin Care Salon

Sain Visage Skin Care Salon

FIVE GUYS

FIVE
GUYS

GameStop

Mixed-Use Development

Station Landing – Medford, MA



Ink Block, Boston











Mixed Use Development

Two Brookline Place



Brookline Place



2 Brookline Place



Public Benefits Bonuses

Brookline Zoning By-Law

Table 5.02 – Maximum Gross Floor Area Increases

Each Condition	M-2.5 Districts	Other Districts M-1.5, M-2.0, G-175, G-2.0, GM-2.0, O-2.0
Affordable Housing*	30%	20%
Open Space*	20%	15%
Historic Preservation	20%	15%
Community Facilities & Support Services Enhancement of Town parks Environmental sustainability Public parking Parking for Zip cars Subsidized T passes Day care facility	20%	15%

Real Estate Development - **Financial Feasibility**

Threshold Return on Investment

Frankly, Mr. Developer,
I don't give a d@mn.



Financing Real Estate Development

Other

People's

Money



Financing Real Estate Development

Other

People's

Money

Equity Investors

Pension funds

Corporate

Public

Construction Unions

Endowments

Trusts

Family Offices

Sovereign Wealth Funds

High Net Worth Individuals

Lenders

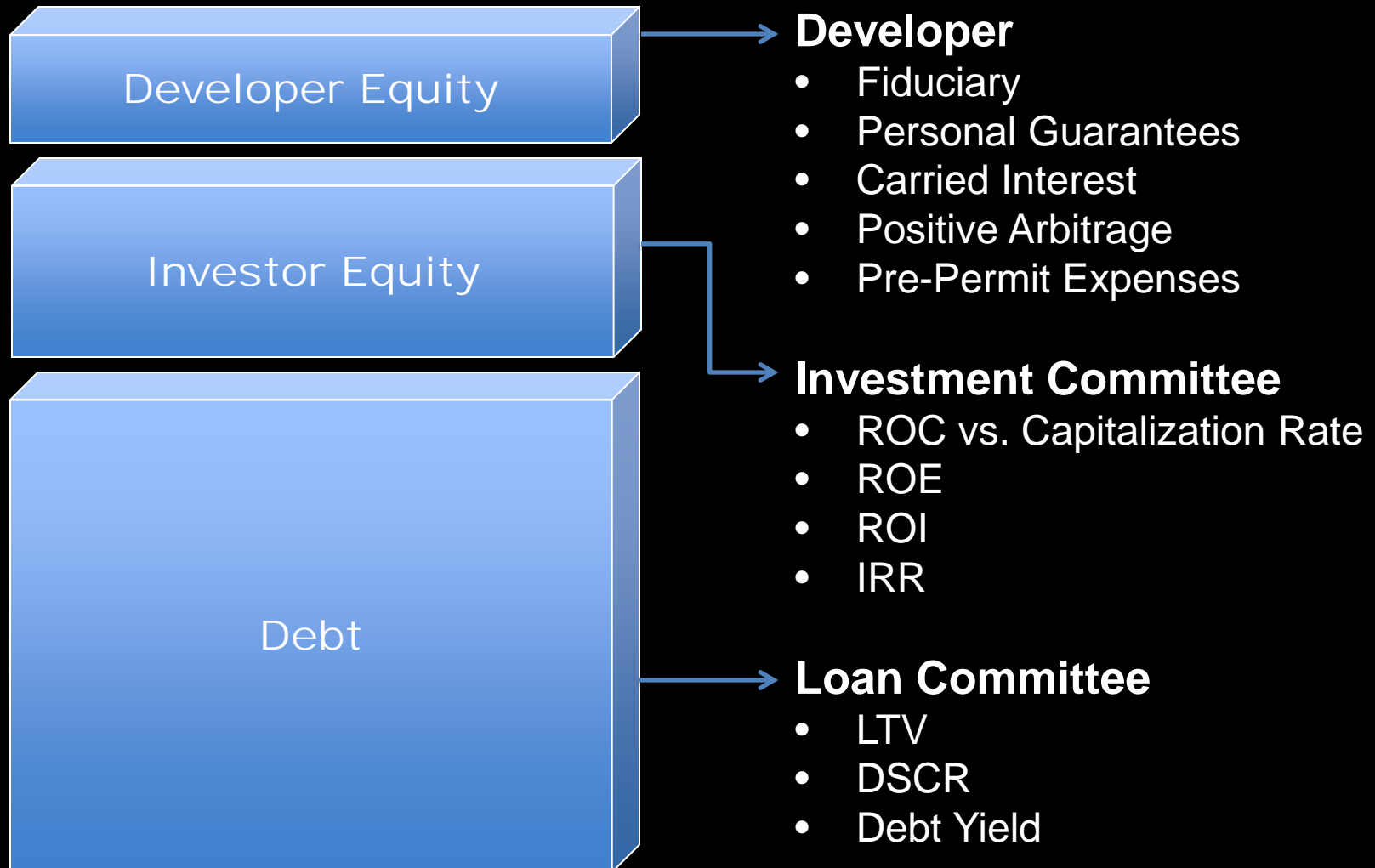
Banks

Life Insurance Companies

CMBS

Financing Real Estate Development

Capital Stack



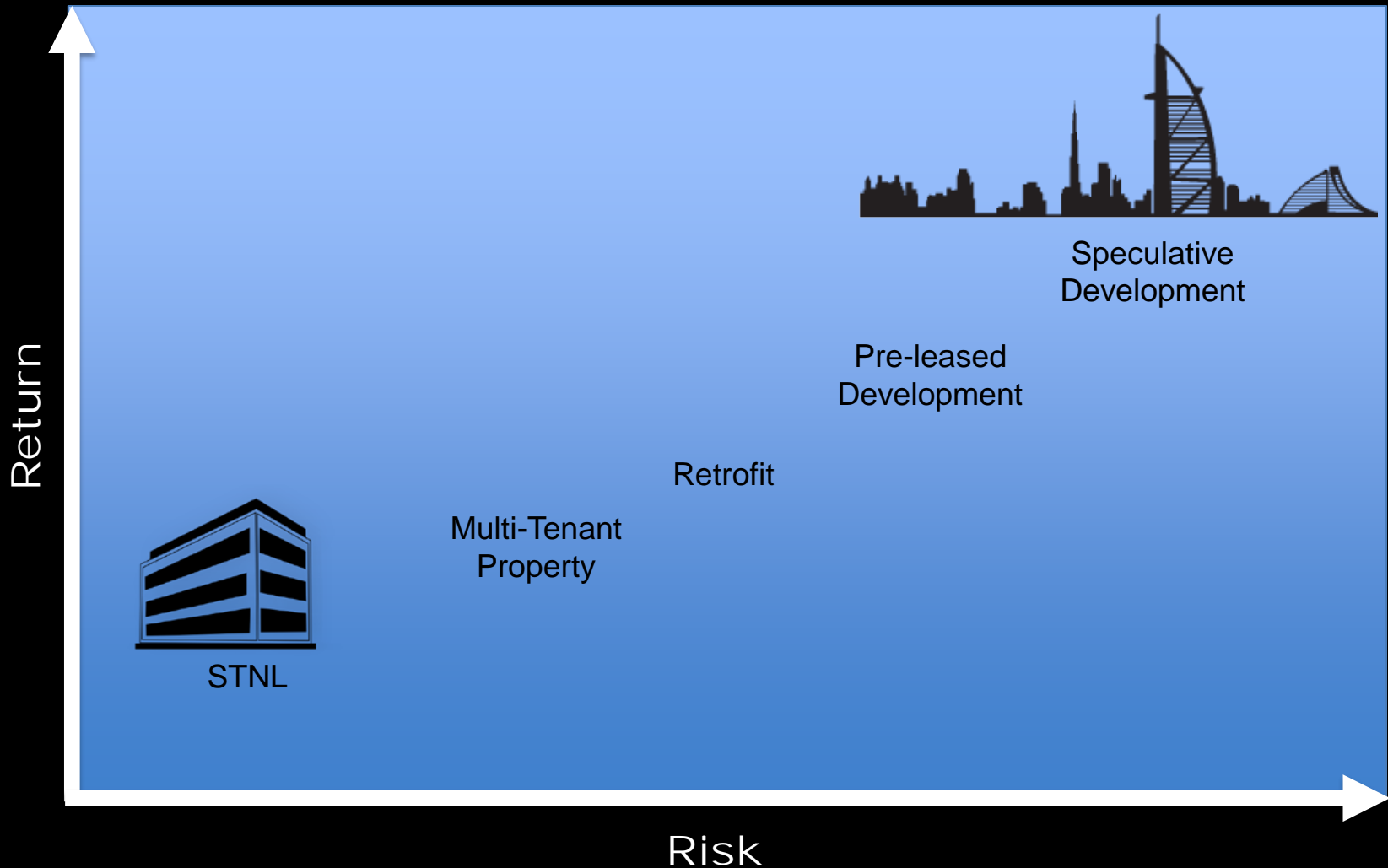
Risk Adjusted Returns

All Asset Classes



Risk Adjusted Returns

Real Estate Sectors



SAMPLE DEVELOPMENT PRO FORMA

TOTAL SF: 50,000

REVENUE	<u>TOTAL</u>	<u>PER SF</u>
OFFICE & RETAIL NET RENT	\$2,400,000	\$48.00
REIMBURSEMENT INCOME	\$1,100,000	\$22.00
GROSS INCOME	<u>\$3,500,000</u>	<u>\$70.00</u>

OPERATING EXPENSES	(\$1,100,000)	(\$22.00)
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NET OPERATING INCOME	<u><u>\$2,400,000</u></u>	<u><u>\$48.00</u></u>
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DEVELOPMENT BUDGET	<u>TOTAL</u>	<u>PER SF</u>
LAND ACQUISITION	\$4,000,000	\$80.00
HARD COST	\$22,500,000	\$450.00
SOFT COSTS	\$3,250,000	\$65.00
FINANCING & CARRYING COST	\$1,500,000	\$30.00
TOTAL	<u><u>\$31,250,000</u></u>	<u><u>\$625.00</u></u>

RETURN ON COSTS	7.7%
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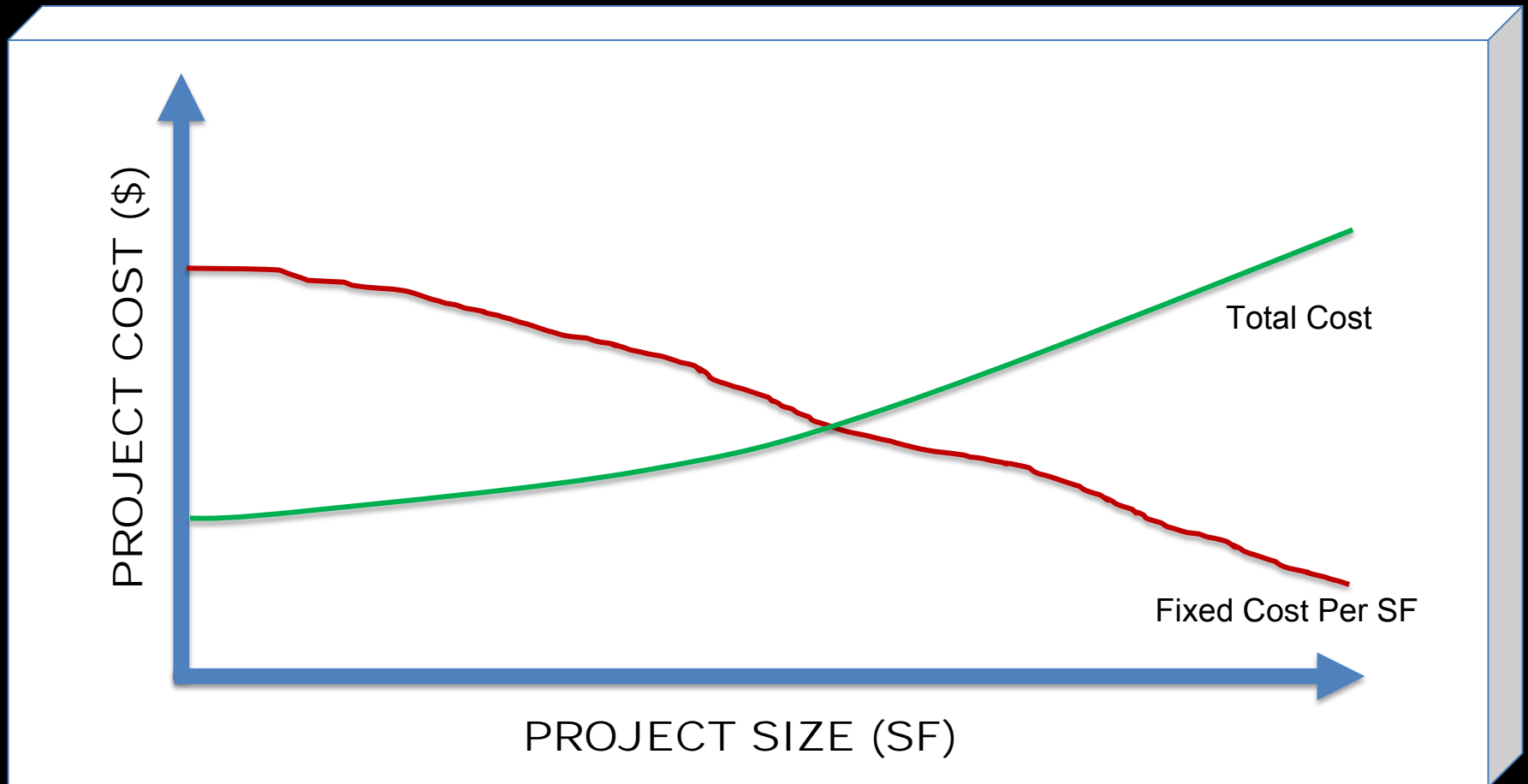
Zoning By-Law Requirements

Site and Building - Dimensions & Ratios:

- Lot Area
- Floor Area Ratio (FAR)
- Building Height
- Set-Backs
- Open Space Percentage
- Street Frontage
- Parking
- Off Street Loading
- Bicycle Storage
- Signage

Real Estate Financial Feasibility

The Push for Scale & Efficiency



Site Due Diligence Checklist

Location

- ☐ Access (Pedestrians/Vehicles /Transit)
- ☐ Visibility
- ☐ Adjacent Uses
- ☐ Traffic (AADT)
- ☐ Demographics (Population, Income)
- ☐ Competitive Properties

Physical Features

- ☐ Size
- ☐ Shape
- ☐ Utilities
- ☐ Topography
- ☐ Subsurface Conditions

Financial

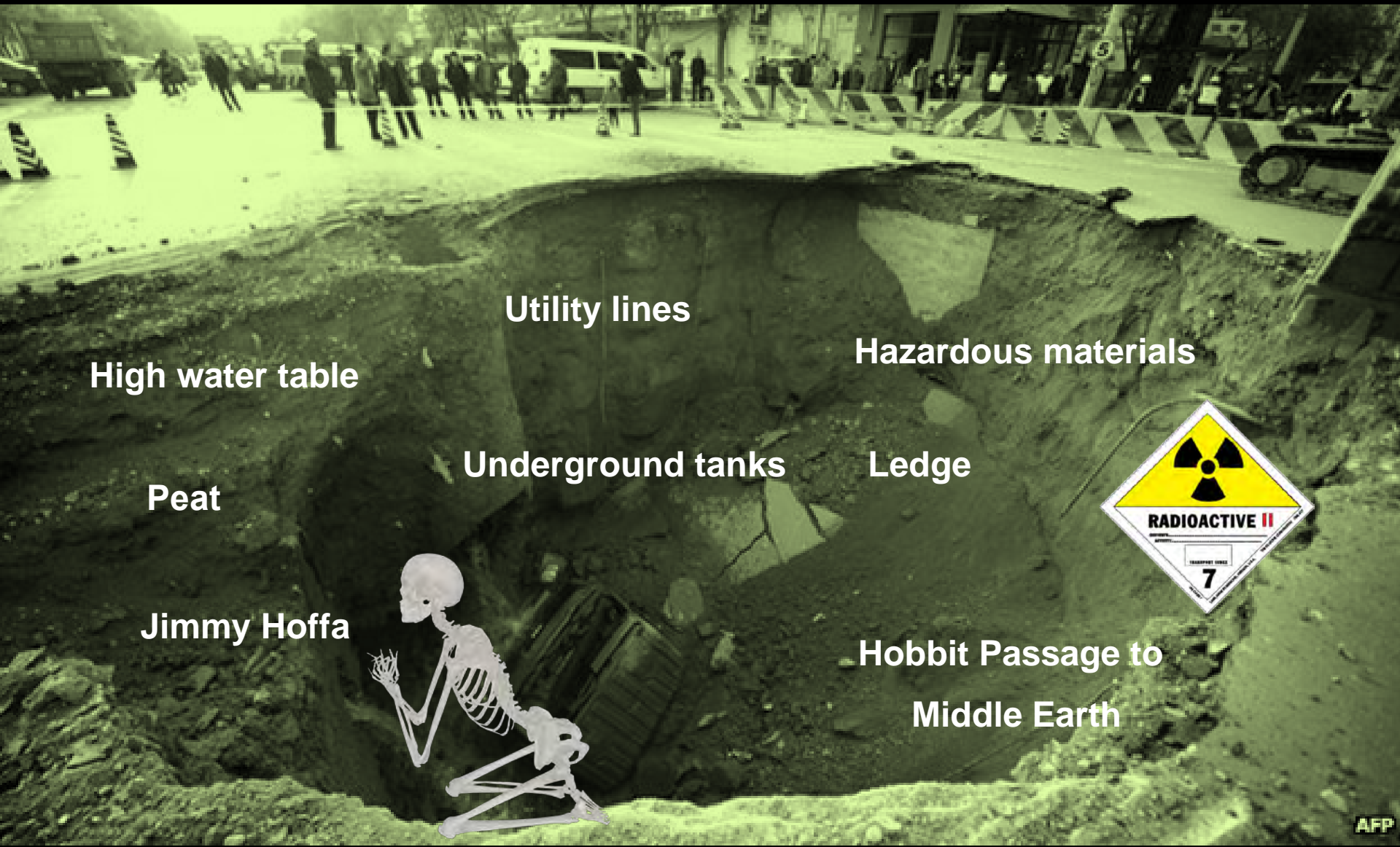
- ☐ Acquisition Price & Terms
- ☐ Tenant Relocation
- ☐ Site Prep (Demolition, Grading, Remediation)

Legal

- ☐ Easements
- ☐ CCR's
- ☐ Development Permits
 - Zoning – By Right
 - Special Permit – Discretionary

Site Due Diligence

Subsurface Conditions - What Lies Beneath???



Utility lines

Hazardous materials

High water table

Underground tanks

Ledge

Peat



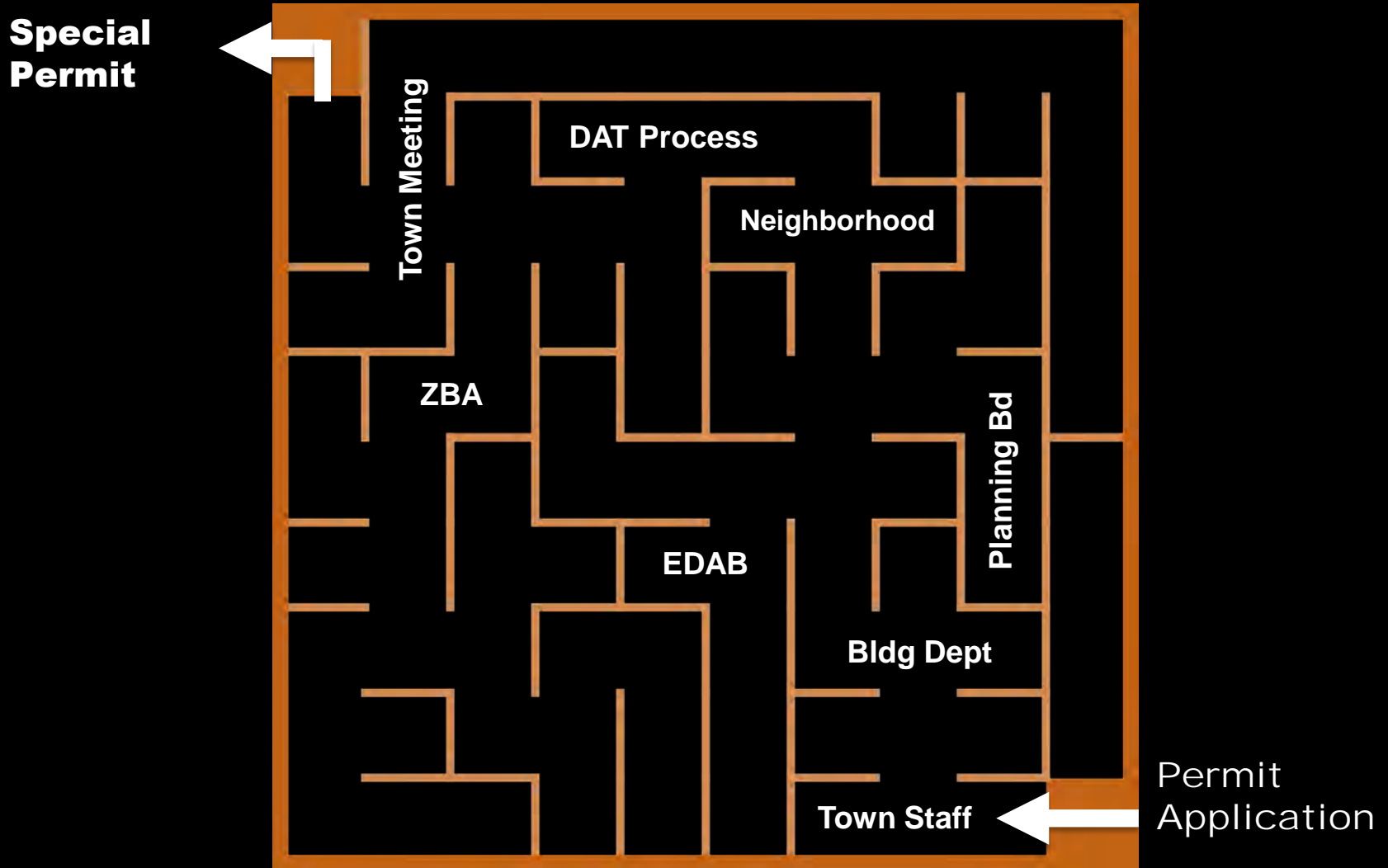
Jimmy Hoffa

Hobbit Passage to
Middle Earth

375 Chestnut Hill Avenue



Development Permitting Process



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